

**OVERVIEW OF BUDGET**  
**DEPARTMENT: BEHAVIORAL HEALTH**  
**DIRECTOR: RUDY G. LOPEZ**

**2002-03**

	<u>Appropriation</u>	<u>Revenue</u>	<u>Fund Balance</u>	<u>Local Cost</u>	<u>Staffing</u>
Behavioral Health	113,215,605	111,372,852	-	1,842,753	734.1
Alcohol & Drug	24,784,682	24,577,582		207,100	100.9
Special Patient	12,583	1,000	11,583		
Total	<u>138,012,870</u>	<u>135,951,434</u>	<u>11,583</u>	<u>2,049,853</u>	<u>835.0</u>

**BUDGET UNIT: BEHAVIORAL HEALTH (AAA MLH)**

**I. GENERAL PROGRAM STATEMENT**

The Department of Behavioral Health (DBH), under State law, provides mental health treatment and prevention services to all county residents. In order to maintain a continuum of care, the department operates or contracts for the provision of 24-hour care, day treatment, outpatient services, case management, and crisis and referral services. Community services are provided in all major county metropolitan areas and are readily accessible to most county residents. Recently, the department has reviewed its client services system, and is refocusing its own clinic-based services towards a coordinated care model consisting of multi-disciplinary teams.

**II. BUDGET & WORKLOAD HISTORY**

	<u>Actual 2000-01</u>	<u>Budget 2001-02</u>	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>
Total Requirements	75,357,451	95,943,170	94,992,130	113,215,605
Total Revenue	73,505,739	94,100,417	93,149,377	111,372,852
Local Cost	1,851,712	1,842,753	1,842,753	1,842,753
Budgeted Staffing		696.6		734.1
<b><u>Workload Indicators</u></b>				
Inpatient Days	40,017	40,114	43,550	43,625
Day Treatment Days	59,898	57,715	57,884	54,000
Outpatient Service Hours	411,486	440,000	540,779	517,854
Residential Days	123,919	119,846	109,597	117,000
Unduplicated Clients	30,312	30,535	34,014	32,140
Managed Care Autho/Reviews/Claims	35,325	45,304	35,804	32,848

Significant variances between actual and budget for 2001-02 existed in equipment and operating transfers out due to personal computer upgrades and capital project upgrades carrying over to 2002-03. Also reflected in operating transfers out is a reimbursement from the Architecture and Engineering Department for unspent funds related to the Phoenix clinic project. Variances in transfers are due to lower than anticipated participation in the Children's System of Care program. These factors related directly to the decrease reflected in revenue.

Variances in reimbursements are due to recording Vehicle License Fees in revenue per GASB 34.

Workload indicator changes include an increase in Outpatient Service Hours due to increased volume in outpatient clinics and Fee For Service (FFS) networks, a decrease in Managed Care due to a change in the unit of measure to better depict the work performed in the managed care unit, and a decrease in Residential Days due to placement issues with one of our major residential facility providers. However, new contracts and changes in the Institutes for Mental Health Disease (IMD) program are expected to increase the number of bed days in 2002-03.

## **BEHAVIORAL HEALTH**

### **III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)** **STAFFING CHANGES**

Changes in budgeted staffing increased a net of 37.5 positions. Budgeted additions include 10.0 positions to enhance the case management services provided by the department and will generate revenue to offset approximately 75% of their salary. These positions are related to the increase in outpatient services hours. Added 2.0 positions to handle increase workloads in the payroll and property management divisions. Added 3.0 positions for the information technology (IT) division to handle day-to-day operations, provide high level of IT support, and design IT strategic plans. Added 7.0 positions for additional clinical services needed due to the expansion of the West Valley Juvenile detention center. Added 7.0 positions for the Mentally Ill Offender Crime Reduction program. Added 1.0 position to develop and maintain the department's compliance program. A total of 10.5 positions were funded for the following: 2.0 for administrative work, 2.0 for chart review and provider audits, and 6.5 for a new transportation unit to move patients from state hospitals to community based settings.

Also reflected in staffing changes are increases in salaries and benefits costs due to cash-outs at the end of the calendar year offset by an increase in the vacancy factor (3.0 positions) caused by difficulty in recruiting and retaining treatment staff.

### **PROGRAM CHANGES**

Program changes affecting the budget include a net increase of \$7.2 million in services and supplies due to the implementation of the Assertive Community Treatment (ACT) program (\$1.0 million); the new Therapeutic Behavioral Services (TBS) contracts (\$1.6 million); anticipated increases in the Institutes for Mental Health Disease (IMD) and Augmented Board and Care (ABC) contract services (\$2.6 million); increases in services for the Mentally Ill Offender Crime Prevention program (\$0.4 million); the start-up costs for the planned acquisition of a new client information system (\$1.5 million); inflation costs (\$0.2 million); and a net decrease in other services and supplies of approximately \$100,000.

The budgets for reimbursements were impacted by GASB 34, which required the reclassification of inter/intra departmental transactions. The department's overall impact was a decrease of \$3.3 million. This was dealt with in two ways: revenues increased \$1.5 million and other charges decreased \$1.8 million.

Also reflected in other charges is a decrease of \$1.2 million for reducing the state hospital beds to fund the new ACT program and to partially fund enhancements to the IMD and ABC programs as mentioned above. This decrease was partially offset by an increase of \$0.3 million to provide interim assistance to clients which should be reimbursed to the department once the clients become SSI eligible.

Changes in program revenues include increases of: \$9.7 million in realignment to fund operations and several capital projects, \$1.3 million in federal block grants to partially fund the increases in the ABC program, and \$2.6 million in the Early Periodic Screening Detection and Treatment (EPDST) program to fund the TBS program.

### **OTHER CHANGES**

The equipment budget decreased by \$94,000 due to the elimination of remodeling projects and reduction in the number of vehicles and computer servers needed.

Transfers increased by \$227,735 due to a new agreement with the Department of Child Support to provide Crisis Residential treatment to children.

Operating transfers out increased \$4,235,500 due to capital projects overseen by the Architecture and Engineering department (ANE). The changes in capital projects include an increase in the Phoenix project (\$2,185,500), a decrease in the Gilbert project (\$50,000), and the addition of the building "H" project (\$2,100,000).

# BEHAVIORAL HEALTH

GROUP: Human Services System  
DEPARTMENT: Behavioral Health  
FUND: General AAA MLH

FUNCTION: Health & Sanitation  
ACTIVITY: Hospital Care

	2001-02 Actuals	2001-02 Approved Budget	2002-03 Board Approved Base Budget	2002-03 Board Approved Changes to Base Budget	2002-03 Final Budget
<b>Appropriations</b>					
Salaries and Benefits	39,715,479	37,545,967	40,500,044	1,882,807	42,382,851
Services and Supplies	54,800,337	53,556,188	54,152,368	6,588,395	60,740,763
Central Computer	218,281	218,281	550,342	-	550,342
Other Charges	6,155,423	5,698,592	5,699,592	(2,755,788)	2,943,804
Equipment	113,397	292,000	292,000	(94,000)	198,000
Transfers	1,780,310	2,234,684	2,234,684	227,735	2,462,419
Total Exp Authority	102,783,227	99,545,712	103,429,030	5,849,149	109,278,179
Less:					
Reimbursements	(6,167,097)	(7,502,542)	(7,502,542)	3,304,468	(4,198,074)
Total Appropriation	96,616,130	92,043,170	95,926,488	9,153,617	105,080,105
Operating Transfers Out	(1,624,000)	3,900,000	3,900,000	4,235,500	8,135,500
Total Requirements	94,992,130	95,943,170	99,826,488	13,389,117	113,215,605
<b>Revenue</b>					
Current Services	365,829	514,235	514,235	(224,569)	289,666
State, Fed or Gov't Aid	91,394,099	92,050,959	95,934,277	13,407,098	109,341,375
Other Revenue	1,389,449	1,535,223	1,535,223	206,588	1,741,811
Total Revenue	93,149,377	94,100,417	97,983,735	13,389,117	111,372,852
Local Cost	1,842,753	1,842,753	1,842,753	-	1,842,753
Budgeted Staffing		696.6	704.6	29.5	734.1

## Total Changes in Board Approved Base Budget

### Base Year

Salaries and Benefits 2,401,719 MOU and retirement increases.  
456,983 7.0 positions for the Mentally Ill Offender Crime Reduction (MIOCR II) approved by the Board on August 14, 2001.  
2,858,702

Services and Supplies 174,814 Inflation, risk management liabilities, EHAP.  
421,366 Services for the Mentally Ill Offender Crime Reduction (MIOCR II), Board Item #057 approved on August 14, 2001.  
596,180

Central Computer 332,061

Other Charges 1,000 Board Item #057 dated August 14, 2001 - MIOCR II (Passages) grant.

Revenue 2,908,594 Realignment.  
879,349 Board Item #057 dated August 14, 2001 - MIOCR II (Passages) grant.  
3,787,943

### Mid Year

Salaries and Benefits 95,375 1.0 position - Chief Compliance Officer approved by the Board on February 5, 2002.

Revenue 95,375 Realignment.

Total Appropriation Change 3,883,318

Total Revenue Change 3,883,318

Total Local Cost Change -

Total 2001-02 Appropriation 95,943,170

Total 2001-02 Revenue 94,100,417

Total 2001-02 Local Cost 1,842,753

Total Base Budget Appropriation 99,826,488

Total Base Budget Revenue 97,983,735

Total Base Budget Local Cost 1,842,753

## BEHAVIORAL HEALTH

### Board Approved Changes to Base Budget

Salaries and Benefits	693,625	15.0 new positions.
	250,000	Factor for December cash-outs.
	814,808	Fund 10.5 positions that went unfunded.
	(225,000)	Approximate vacancy factor increase (3.0).
	349,374	7.0 positions for the West Valley Juvenile detention center.
	<u>1,882,807</u>	
Services and Supplies	5,197,141	\$1.6 million Therapeutic Behavioral Services contract; \$1 million Assertive Community Treatment program; \$2.6 million for expansion of Institutes for Mental Health Disease, Augmented Board and Care and children's contract services.
	1,500,000	Purchase of new client data system (includes start-up costs, training and personal computer equipment).
	(108,746)	Net change in services & supplies due to variety of line item increases and decreases (including \$94k reduction in Remote Pharmacy).
	<u>6,588,395</u>	
Other Charges	(1,200,000)	Planned reduction in the number of state hospital beds to allow implementation of the Augmented Board and Care program.
	(1,842,753)	The local cost offset was previously budgeted in reimbursements.
	286,965	Primarily due to an increase in interim assistance to clients. This should come back to the department once the clients become eligible for SSI.
	<u>(2,755,788)</u>	
Structures/Improvements	(27,000)	Remodeling projects are not required in 2002-03.
Equipment	(67,000)	Reduction in the need for additional vehicles and computer servers.
	<u>(94,000)</u>	
Transfers	227,735	New agreement with Department of Child Support for residential treatment and various small changes in agreements with other departments.
Reimbursements	1,060,068	Accounting treatment change. This is now reflected in revenue.
	1,842,753	Accounting treatment change. This is now reflected in other charges.
	401,647	Primarily due to GASB 34 changes. Several reimbursements are now reflected as revenue.
	<u>3,304,468</u>	
Total Appropriations	<u>9,153,617</u>	
Operating Transfers Out	4,235,500	Reduce Gilbert Street Electrical project - \$50,000, increase Phoenix project -\$511,500, the addition of the Building H project - \$2.1 million, and funds reimbursed by Architecture and Engineering department to Behavioral Health department in 2001-02 - \$1,674,000 (unspent funds related to the Phoenix project).
Total Requirements	<u>13,389,117</u>	
Revenues		
Current Services	<u>(224,569)</u>	Anticipated decrease in Patient Pay and Insurance.
State and Federal Aid	9,674,251	Realignment increase due to Vehicle License Fee 2001-02 growth and equity adjustments.
	1,288,097	Federal block grants.
	2,557,802	Increase in Early Periodic Screening Diagnostics and Treatment (EPSDT).
	(113,052)	Changes in Medi-Cal and Medicare Inpatient revenue.
	<u>13,407,098</u>	
Other Revenue	<u>206,588</u>	Net change in other revenues due to variety of line item increases and decreases.
Total Revenues	<u>13,389,117</u>	
Local Cost	<u>-</u>	